

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-02-3
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**ORDER ACCEPTING PETITION, MODIFYING PROCEDURAL SCHEDULE,
AND REQUIRING CORPORATE UNDERTAKING**

(Issued August 26, 2002)

On July 29, 2002, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed with the Utilities Board (Board) a petition alleging that Interstate Power and Light Company's (IPL) Iowa jurisdictional electric rates are excessive in the amount of \$6,302,550. Currently pending before the Board is IPL's application to increase its electric rates by approximately \$82 million. This proceeding is identified as Docket No. RPU-02-3.

Consumer Advocate did not specifically request a separate proceeding to consider its rate reduction petition, although Consumer Advocate did ask for more time in the procedural schedule to file rebuttal testimony on issues raised for the first time in the rate reduction petition. Concurrently with its rate reduction petition, Consumer Advocate filed prepared direct testimony, exhibits, and workpapers pursuant to the procedural schedule in Docket No. RPU-02-3. The Board will therefore accept Consumer Advocate's petition for consideration in Docket No.

RPU-02-3. The Board will not establish a separate proceeding for consideration of the rate reduction petition because most of the issues raised in the rate reduction petition were raised in IPL's electric rate increase proposal. However, the Board will adjust the procedural schedule to allow an additional week for rebuttal testimony on those issues first raised by Consumer Advocate in its testimony.

Pursuant to Iowa Code § 476.3(2), IPL, within the time prescribed by the Board, must file a bond or corporate undertaking conditioned upon the refund in a manner prescribed by the Board of amounts collected after the date of filing of the petition in excess of rates or charges finally determined by the Board to be unlawful. Therefore, IPL will be required to file a bond or corporate undertaking in the disputed amount of \$6,302,550 within 15 days from the date of this order. The bond or corporate undertaking must be conditioned upon the refund of amounts collected after July 29, 2002, in excess of rates or charges finally determined to be lawful by the Board. In the event a refund is required, Iowa Code § 476.3(2) provides that interest is to be paid on excess amounts collected.

IT IS THEREFORE ORDERED:

1. The petition to reduce the electric rates of Interstate Power and Light Company filed by the Consumer Advocate Division of the Department of Justice on July 29, 2002, is accepted for consideration in Docket No. RPU-02-3.
2. The procedural schedule in Docket No. RPU-02-3 issued on April 26, 2002, is modified as follows: Consumer Advocate and any intervenor shall file

rebuttal testimony on any issues raised initially in that party's direct testimony and responded to by another party, on or before September 27, 2002.

3. On or before 15 days from the date of this order, Interstate Power and Light Company shall file a bond or corporate undertaking in the disputed amount of \$6,302,550, conditioned upon the refund of amounts collected after July 29, 2002, with interest, in excess of rates or charges finally determined to be lawful by the Board.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 26th day of August, 2002.